



MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # 118-2015

LETTER TO COMMISSION

TO: Mayor Philip Levine and members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: March 19, 2015

SUBJECT: **SPACE PLANNING**

This Letter to Commission (LTC) is to inform you that the Administration has identified space needs in various departments. For example, the recently formed Transportation Department is currently occupying space in the Public Works Department. This has restricted space utilization for Public Works and does not provide an ideal work environment for the Transportation Department staff. Additionally, the Code Compliance and Housing and Community Development Department both occupy space in the 555 17th Street building that will be demolished if the Convention Center Hotel project is approved by referendum in November.

Rather than incurring new costs for renting office space for City departments we are looking at recapturing office space that is currently leased to private tenants in City owned buildings. For example, the City currently has a tenant, Community AIDS Resource, Inc. (d/b/a Care Resource) that occupies 1,926 square feet of office space in the 1701 Meridian Ave Building. This is the only private office tenant in the office building, as all other offices are currently occupied by City departments or quasi-city entities such as the Miami Beach Visitor and Convention Authority (MBVCA) and State Representative Richardson. It makes sense to recapture this space for City use since it is on the City Hall campus. Care Resource's lease expires 9/30/15 and doesn't have renewal options; they currently pay approximately \$67,000 annually in rent.

Historic City Hall is another example of a City owned building where portions of the office space can be recaptured for City use. The building has nine (9) leases, including two (2) ground floor tenants (Miami Beach Cinemateque and Miami Dade Gay and Lesbian Chamber of Commerce), and Miami Dade Clerk of Courts. There are six (6) office tenants on floor three (3) – eight (8) occupying 9,108 total square feet. These leases expire at various times starting as early as December 2015. All other leases may be renewed at the City's sole discretion. The attached Exhibit 1 summarizes the leases at Historic City Hall.

In order to recapture office space to support the City's needs, I will be providing Care Resource with a courtesy notice by the end of this month advising them that the City will not extend the term of their lease. I will also continue to evaluate the leases at Historic City Hall and in order to ensure the City's office space needs are met. In the long-term, the City may wish to reevaluate City-owned space leased to third parties at below market rates (e.g. to non-profit entities).

Please contact me with any questions.

C: Kathie G. Brooks, Assistant City Manager
Max A. Sklar, Tourism, Culture, and Economic Development Director
Mark Milisits, Asset Manager

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EXHIBIT 1

Current terms & Renewal Option Historic City Hall Tenants			
		Remaining	Annual
Tenant	Current Term	Options	Rent
MDGLCC	04/01/13 -03/31/16	one (3) year	\$30,000
Miami Beach Film Society	03/01/13 -02/28/16	one (3) year	\$53,819
Miami Dade Clerk of Courts	03/19/1991- 03/31/2092	Auto renew	\$15,623
Strang Adams, PA	07/01/13-06/30/16	one (3) year	\$21,676
Paul Sack	03/01/13-02/28/16	one (3) year	\$16,544
Rubin & Bickman	07/01/13-06/30/16	one (3) year	\$36,146
David Wrubel	10/01/13-09/30/16	one (3) year	\$36,348
Gemcor	01/01/13-12/31/15	one (3) year	\$36,977
Immunity	06/01/13-05/31/16	one (3) year	\$82,038